

**Questions for the Record for Ambassador Robert E. Lighthizer**  
U.S. House Ways and Means Committee  
Hearing on U.S.-China Trade  
February 27, 2019

**From Representative Darin LaHood to Ambassador Robert E. Lighthizer**

1. As you know, U.S. technology companies, including cloud service providers, face significant market access restrictions and forced technology transfer requirements in China. In addition, the current 301 tariffs are significantly impacting many of these same technology companies, as several key inputs into data centers are on the list of products being assessed additional duties. They are arguably being squeezed on both sides and are understandably worried about what this will mean for their global competitiveness when they are being negatively impacted in the two biggest markets in the world. Given this, it is important that the negotiations you are conducting with China produce results to roll back these market access restrictions in China and prevent forced technology transfer.

What specific measures are you discussing to prevent forced technology transfers? Are you looking to eliminate foreign equity caps and licensing requirements so that U.S. companies don't have to rely on Chinese companies to operate?

**Answer: The Administration places a high priority on the elimination of forced or coerced technology transfer, foreign equity limitations, and discriminatory licensing requirements in the China market, so that U.S. firms can compete on a level playing field with Chinese companies and other foreign competitors. These are key areas of discussion in our current negotiations.**

2. Over the last year, India has adopted or proposed data and investment restrictions that would effectively close off the Indian market to many U.S. high tech services. The U.S., by contrast, allows Indian and other foreign technology and services companies to provide cross-border services into the U.S. unobstructed by such burdensome data transfer restrictions. India's measures are far more trade restrictive than necessary to protect personal data, create cyber-vulnerabilities that would not otherwise exist, limit consumer choice, and hurt U.S. companies. Recently, USTR decided to terminate GSP for India based on "equitable and reasonable" access to its markets, but did not cite specific issues in the notice to Congress. Indian officials have responded that GSP withdrawal will not have a significant impact on India's exports to the U.S.

Should the U.S. take additional measures to address the growing data and services related issues with India?

**Answer:** As documented in the 2019 National Trade Estimate, USTR has identified a number of measures issued by the Government of India in the past year that could serve as barriers to digital trade. In particular, USTR is concerned about data localization requirements that would prevent U.S. companies from offering services in India on a cross-border basis. The United States has filed comments with the Government of India in response to several of these measures and has raised concerns in bilateral engagements with India about the potential effects of these digital trade barriers on U.S. companies. Looking forward, the United States will continue to work with India on a bilateral basis to address these concerns.

3. I would like to raise an emerging topic in Canada that is causing a great deal of alarm for U.S. insurers and reinsurers. Despite industry concerns in both Canada and the U.S., I understand that Canadian authorities are advancing plans to limit cross-border reinsurance trade in a way that severely harms U.S. insurers seeking to serve Canadian customers. Not only would these measures harm the U.S. insurance industry, but they are also inconsistent with our fair-trade goals and best practices for insurance regulation.

Has USTR been in touch with the Canadian authorities to protest the direction Canada is headed? Do you see a path forward for working with the Canadian authorities to make sure that insurance trade flows between the U.S. and Canada aren't adversely affected by these measures?

**Answer:** The Administration is aware of concerns with respect to actions Canada may be taking involving reinsurance that could negatively impact the ability of U.S. reinsurers to do business in Canada. We expect Canada to be mindful of its trade commitments as it undertakes revisions to its policies with respect to supply of reinsurance. We look forward to staying in touch with Members of Congress on this issue.